

**STATEMENT OF THE LUGGAGE AND LEATHER GOODS
MANUFACTURERS OF AMERICA, INC.**

**TO THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION**

HEARING ON AIRLINE CUSTOMER SERVICE

JUNE 28, 2000

I. INTRODUCTION

The Luggage and Leather Goods Manufacturers of America, Inc. (LLGMA) is a trade association that represents over 300 producers, distributors, and retailers of travel goods, including luggage, personal leather goods, business and computer cases, and handbags. LLGMA is submitting comments in connection with the Committee's hearing on the status of the major airlines' implementation of their "Airline Customer Service Commitment."

If recent press reports are to be believed, air passenger complaints are at an all-time high. Moreover, in its latest *Air Travel Consumer Report, June 2000*, the Department of Transportation shows an increasing number of complaints filed against the airlines in the month of April 2000 compared to April 1999. Baggage complaints ranked number three (out of a list of eleven possible categories) on the list of consumer complaints. The complaints include claims for lost, damaged or delayed baggage, carry-on problems, difficulties with airline claims procedures, and charges for excess baggage. The latest data available show consumer complaints about baggage rising 58 percent over the same period in 1999. These numbers and other independent surveys suggest that the airlines' customer service commitment plans have fallen far short of expectations. These plans have failed the public in several ways, including their inability to adequately address the issues of lost or damaged luggage and uniform size standards for carry-on baggage.

II. LOST AND DAMAGED LUGGAGE

As part of their respective passenger service commitment plans, many airlines promised to increase the liability limit for lost or damaged luggage. The commitment was made at a time when the Department of Transportation (DOT) was already far along in a rulemaking procedure to increase the liability limit. In 1994, when DOT initiated the rulemaking, it stated that the higher liability number “should compensate passengers based on the present value of money *and constructively influence air carriers to remedy the causes of baggage problems* [emphasis added].¹” It is apparent, therefore, that DOT thinks there is considerable room for improvement in carriers’ baggage handling systems.

LLGMA shares this view. There has not been sufficient effort on the part of the airlines to fix problems with baggage handling equipment and procedures. Passengers have no confidence in these systems and this has led to the excesses in carry-on baggage in recent years. LLGMA has had a number of conversations with baggage handling officials from different airlines on the cause of luggage damage. There are many excuses proffered, including it is not always possible to pinpoint where the damage occurred, how or why it occurred, or who is directly responsible (e.g., the airline or the airport authority, which sometimes controls some of the handling equipment). Oftentimes, it is just easier and cheaper to make it somebody else’s problem, which is happening with greater frequency as airlines shift the cost of repairs back onto the manufacturer, distributor, or seller of luggage.

LLGMA strongly supported an increase in the limit. Based on the increase in the cost of living, the new limit that went into effect recently is warranted and long overdue. However, while LLGMA agrees that a higher limit is necessary and good for consumers, the Association’s members are quite concerned that the higher limit will accelerate a disturbing trend in the travel goods industry – the passing back of repair or replacement costs by air carriers of airline-damaged luggage. Unfortunately, the increase could and likely will lead to new, more novel ways for the airlines to avoid responsibility for damaged luggage.

In arriving at the \$2,500 figure along with the cost of living adjustment, DOT noted that, “this is particularly important in light of decreasing opportunities for passengers to carry luggage into the cabin.”² In fact, the number of people flying is exploding, expected to grow from about 600 million per year to about one billion by the year 2008. Without concerted efforts by the airlines to improve baggage handling systems, complaints about baggage will reach record numbers in the years ahead, and the travel goods industry will be beset by repair and replacement issues that clearly fall outside the scope of its responsibility.

¹ *Federal Register*, June 28, 1999 (Volume 64, No. 123); Domestic Baggage Liability, Proposed Rule.

² *Ibid.*

Luggage manufacturers are responding to punishing baggage-handling systems. One large luggage manufacturer recently tested five major brands of luggage and found them to be significantly stronger than they were ten years earlier, and in fact exceeded luggage construction guidelines adopted by both U.S. and international carriers. These five brands account for a substantial portion of luggage sold to and carried by U.S. consumers.

Nonetheless, according to a recent survey conducted by the International Luggage Repair Association, approximately two-thirds of the damage to luggage that is seen by repairers is airline inflicted.

A byproduct of regular future increases in the baggage liability limit will be growing friction between the airlines and luggage manufacturers, distributors, and retailers as the costs of replacing or repairing damaged luggage to the airlines grow.

As airlines look for ways to cut their costs, the new limit may not live up to DOT's expectation that it will result in an improvement in baggage handling systems. Therefore, DOT and Congress need to be extremely vigilant in their oversight of the airlines to ensure that the new limits do not result in the airlines passing the carriers' responsibility back to the travel goods industry for damage directly attributable to their baggage handling systems. In this regard, LLGMA recommends the following:

- (1) The new limit should be coupled with close monitoring of airlines' claims departments, including, but not limited to, random follow-up with consumers and repair shops to determine whether airlines are accepting responsibility for bags damaged by their baggage handling systems.
- (2) DOT collects data on mishandled baggage that it publishes monthly in its *Air Travel Consumer Report*. DOT should expand the data collection effort to include information on the specific number of baggage complaints that are damage-related, including information on the resolution of those complaints. This information should be included in the monthly report.

These small changes will provide important incentives to the airlines to clean up their baggage handling systems and help address a major concern of the flying public.

III. SIZE STANDARDS FOR CARRY-ON LUGGAGE MUST BE ADOPTED

LLGMA believes that the lack of uniformity in carry-on luggage programs among the major carriers ranks high on the list of passengers' frustrations with air travel. Carry-on policy varies from airline to airline with respect to size, number of carry-ons, and enforcement. The airlines have simply disregarded the economic implications of their disparate program decisions for consumers and the luggage industry. Consequently, LLGMA believes that the establishment of industry-wide rules standardizing these programs is very much in keeping with the thrust of airlines' customer service plans.

Passenger confusion reigns in this area. Continental Airlines is using its larger bin size and liberal carry-on policy as a point of competition. Other airlines, like American, Delta, and United have taken the position that their carry-on policies have more to do with safety than with competition. Thus, these airlines advocate uniform carry-on rules and sizes across all airlines. American, Delta, and United have implemented fairly strict policies to curb excessive carry-ons by installing templates at security checkpoints. Yet, the templates utilized by these airlines only add to passenger confusion for they are different sizes: American's is 9"x15", United's is 9" by 15 ¾", and Delta's is 10" by 16".

The standardization of carry-on baggage programs would provide the consumer with consistency and predictability when traveling with *any* domestic airline and when purchasing luggage and travel products. A recent *Wall Street Journal* article (6/15/00) provided an example of the problem that is all too familiar to many travelers. An excerpt follows:

Business travelers aren't as annoyed by the actual templates as they are by the lack of consistency in their placement. Mr. Berk says that he spent almost \$300 on a bag specifically for carry-on, but it doesn't fit through the templates. "I would go out and buy another one if I knew it would be treated consistently at every airport."

The article goes on to state:

On another recent flight out of LaGuardia, Mr. Berk was stopped by a template and had to check his bag. The following week, he says he went through the same checkpoint and the templates were gone. Instead of being happy to get through, he was incensed. "I thought, 'I'm not even going to get my blood pressure up.' The airlines are playing all kinds of games."

In a regulated environment, luggage manufacturers can contribute to the resolution of consumer frustration that attends this issue by producing travel goods that are appropriately sized. Absent a commitment by the airlines to adopt uniform size standards and the FAA's failure to respond to LLGMA's *Petition for Rulemaking*, December 11, 1998. LLGMA urges the Commerce committee to pass legislation to require the FAA to standardize carry-on baggage programs. Standardization would result in enhanced in-cabin safety for the public and airline employees and would produce consistent, industry-wide, enforceable standards that meet the expectations of both the FAA and the traveling public. And consumer acceptance of such standards will be increased if the rules are consistent from airline to airline, easily understood, and are firmly rooted in enhanced flight safety.